



**For Immediate Release**

Contact: Harvey Grossblatt, President  
Universal Security Instruments, Inc.  
410-363-3000, Ext. 224  
or  
Don Hunt, Jeff Lambert  
Lambert, Edwards & Associates, Inc.  
616-233-0500

**Universal Security Instruments Reports Fourth-Quarter and Year-End Results**

OWINGS MILLS, Md. June 28, 2011 - Universal Security Instruments, Inc. (NYSE Amex: UUU) today announced results for its fourth quarter and fiscal year ended March 31, 2011.

Universal reported fourth quarter net income of \$247,993, or \$0.10 per basic and diluted share, on sales of \$3,378,294. This compares to net income of \$468,223, or \$0.20 per basic and diluted share, on sales of \$6,301,918 for the comparable period of the previous year.

For the 12 months ended March 31, 2011, sales were \$13,249,604 versus \$26,439,118 for the same period last year. The Company reported net earnings of \$817,781, or \$0.34 per basic and diluted share, versus net income of \$2,268,048, or \$0.95 per basic and diluted share, for the same period last year. The Company's book value at March 31, 2011 has increased to \$11.31 per share versus \$10.96 per share at March 31, 2010.

"The fiscal year ended March 31, 2011 was a challenging year for your Company due to the loss of a major customer. In addition, our expected increase in sales from our new generation (New Gen) smoke and CO alarms has not yet materialized. While we have received independent testing approvals for a number of the New Gen products, some of the approvals, being slower than anticipated, have delayed sales. Once all the necessary approvals and inventory from our Joint Venture factory are on hand, we expect sales to increase significantly from the current levels," said Harvey Grossblatt, Chairman and CEO of Universal.

UNIVERSAL SECURITY INSTRUMENTS, INC. is a U.S.-based manufacturer (through its Hong Kong Joint Venture) and distributor of safety and security devices. Founded in 1969, the Company has a 42 year heritage of developing innovative and easy-to-install products, including smoke, fire and carbon monoxide alarms. For more information on Universal Security Instruments, visit our website at [www.universalsecurity.com](http://www.universalsecurity.com).

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*"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Certain matters discussed in this news release may constitute forward-looking statements within the meaning of the federal securities laws that inherently include certain risks and uncertainties. Actual results could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including, among other items, our and our Hong Kong Joint Venture's respective ability to maintain operating profitability, currency fluctuations, the impact of current and future laws and governmental regulations affecting us and our Hong Kong Joint Venture and other factors which may be identified from time to time in our Securities and Exchange Commission filings and other public announcements. We do not undertake and specifically disclaim any obligation to update any forward-looking statements to reflect occurrence of anticipated or unanticipated events or circumstances after the date of such statements. We will revise our outlook from time to time and frequently will not disclose such revisions publicly.*

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11407 CRONHILL DRIVE, SUITE A • OWINGS MILLS, MARYLAND 21117, USA  
(410) 363-3000 • [www.universalsecurity.com](http://www.universalsecurity.com)

**UNIVERSAL SECURITY INSTRUMENTS, INC.**  
**CONSOLIDATED STATEMENT OF INCOME**

	(UNAUDITED)	
	<u>Three Months Ended March 31,</u>	
	<u>2011</u>	<u>2010</u>
Sales	\$3,378,294	\$6,301,918
Net income	247,993	468,223
Net income per share – basic	0.10	0.20
Net income per share – diluted	0.10	0.20
Weighted average number of common shares outstanding		
Basic	2,387,887	2,387,887
Diluted	2,396,830	2,398,927

	(AUDITED)	
	<u>Twelve Months Ended March 31,</u>	
	<u>2011</u>	<u>2010</u>
Sales	\$13,249,604	\$26,439,118
Net income	817,781	2,268,048
Net income per share – basic	0.34	0.95
Net income per share – diluted	0.34	0.95
Weighted average number of common shares outstanding		
Basic	2,387,887	2,387,887
Diluted	2,395,766	2,398,300

**CONSOLIDATED BALANCE SHEET**

ASSETS

	<u>March 31,</u>	
	<u>2011</u>	<u>2010</u>
Cash, cash equivalents and investments	\$ 6,728,593	\$ 6,255,521
Accounts receivable and amount due from factor	2,216,635	4,374,224
Inventory	3,534,011	3,439,906
Prepaid expenses	519,356	351,192
TOTAL CURRENT ASSETS	<u>12,998,595</u>	<u>14,420,843</u>
INVESTMENT IN HONG KONG JOINT VENTURE	13,149,614	12,153,456
PROPERTY, PLANT AND EQUIPMENT – NET	203,440	199,163
DEFERRED TAX ASSET AND OTHER ASSETS	2,132,129	1,897,292
TOTAL ASSETS	<u>\$28,483,778</u>	<u>\$28,670,754</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ 1,247,494	\$ 2,162,755
Accrued liabilities	210,998	279,035
TOTAL CURRENT LIABILITIES	<u>1,458,492</u>	<u>2,441,790</u>
LONG TERM OBLIGATION	25,000	46,459
SHAREHOLDERS' EQUITY		
Common stock, \$.01 par value per share; authorized 20,000,000 shares; issued and outstanding 2,387,887 shares at March 31, 2011 and March 31, 2010, respectively	23,879	23,879
Additional paid-in capital	13,135,198	13,135,198
Retained earnings	13,841,209	13,023,428
TOTAL SHAREHOLDERS' EQUITY	<u>27,000,286</u>	<u>26,182,505</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$28,483,778</u>	<u>\$28,670,754</u>